

Attachment A
ECONOMIC INVESTMENTS IN NEW RETAIL PROJECTS

PURPOSE: The key purpose for investing in new retail projects is to generate significant new City revenues, especially where a high percentage of those revenues come from outside the City.
INVESTMENT STRUCTURE: The City assists with the cost of building public infrastructure related to these projects. The developer fronts the cost of the improvements and is reimbursed from new revenues created by the project itself on a performance basis.

(A) DATE	(B) PROJECT/ LOCATION	(C) POTENTIAL MAX. CITY INVESTMENT	(D) DEVELOPMENT AGREEMENT CONTRACT TERMS	(E) CURRENT CONTRACT STATUS	ACTUAL TO DATE			20 YEAR PROJECTIONS			NOTES
					(F) TOTAL CITY INVESTMENT TO DATE	(G) TOTAL NEW CITY REVENUES - ACTUAL TO DATE	(H) INCENTIVE COST AS % REVENUES ACTUAL TO DATE	(I) EST. TOTAL CITY INVESTMENT OVER 20 YRS.	(J) EST. TOTAL NEW CITY REVENUES OVER 20 YEARS	(K) INCENTIVE COST AS % REVENUES 20 YEAR PROJ.	
6/87	Price Club/Costco Hayden/83 rd	\$105,967	Cash upfront from General Fund contingency	Fully paid off 10/87	\$105,967	\$18,336,585 *	0.6%	\$105,967	\$24,346,860 *	0.4%	City’s first investment – only one paid upfront
12/93- 5/95	Scottsdale Fiesta SEC Pima/Shea	\$2,318,700 (\$2.7 mil. was authorized)	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 10 years	Fully paid off 5/00	\$2,318,700	\$11,832,350	19.6%	\$2,318,700	\$32,442,840	7.1%	Excludes grocery store
4/94	Scottsdale Towne Center NEC Pima/FLW	\$329,000	Rebate of 25% of 1.0% General Fund sales tax for a maximum of 7 years	Fully paid off 2/98	\$329,000	\$7,693,507	4.3%	\$329,000	\$18,727,793	1.7%	
7/94	Pima Crossings Center NWC Pima/Shea	\$100,000	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 2 years	Fully paid off 5/95	\$100,000	\$5,850,827	1.7%	\$100,000	\$14,211,798	0.7%	
2/96- 8/98	North Scottsdale Auto Mall Hayden/FLW and Sun Pontiac	\$2,433,004 (\$2.52 mil. was authorized)	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 3 years	Contract complete Partial Payment	\$1,886,793	\$12,632,211	14.9%	\$1,886,793	\$56,130,462	3.4%	Delays in construction., two dealers resulted in only partial reimbursement
9/97	Sonora Village SWC Pima/Frank Lloyd Wright	\$108,000	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 2 years	Fully paid off 12/99	\$108,000	\$1,591,691	6.8%	\$108,000	\$5,586,916	1.9%	
4/99	The Promenade SEC Scottsdale/FLW	\$5,487,000	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 7 years	Expect full payoff 1/07	\$1,587,774	\$6,104,070	26.0%	\$5,487,000	\$74,917,800	7.3%	
11/02	Lund Cadillac SEC Scts/Loop 101	\$5,600,000 + Interest	Rebate of 67% of 1.0% General Fund sales tax for a maximum of 10 years	Expected opening early 2004	0	0	0	\$7,600,000	\$81,333,333	9.3%	Includes obligation to keep Kachina Cadillac open until 2004
TOTALS:					\$6,436,234	\$64,041,241	10.1%	\$17,935,460	\$307,697,802	5.8%	

Notes:
(A) Date of Council authorization of development agreement
(C) Maximum reimbursement developer can receive – the reimbursement may be lower due to infrastructure construction cost savings, but in no cases may it be higher than authorized.
(D) Developer is typically reimbursed through a sharing of future tax revenues – if revenues come in faster the developer is paid off sooner, but if less than expected full reimbursement may not occur.
(E) When the contract was completed, or is projected to be completed.
(F) The actual amount the City has paid to the projects through May 2002.
(G) Total new direct City revenues (actual General Fund sales, lease, and construction taxes, plus estimated property taxes) through June 2002, as provided by the City’s Tax Audit Division.
(H) Column F (actual payments made to date) divided into column G (actual revenues received to date).
(I) The projected maximum amount the City will pay to the developers
(J) Projections of total new direct City revenues, extrapolated from current revenues, on a constant dollar basis (no adjustment for inflation) over a 20 year period.
(K) Column I (projected total payments – assumes all contracts achieve full amount authorized) divided into column H (projected total revenues over 20 years).
* State Law prohibits releasing sales tax data from individual businesses; therefore Costco figures are projections by the E.D. office based on national sales trends at similar stores.
Highlighted projects have currently active development agreements.

ECONOMIC INVESTMENTS IN
DOWNTOWN/REDEVELOPMENT PROJECTS

PURPOSE: The key purpose for investing in redevelopment projects is to facilitate the redevelopment of targeted areas of the City, with a secondary goal of increasing tax revenues to the City.
INVESTMENT STRUCTURE: The City assists with the cost of building public infrastructure related to these projects. The developer fronts the cost of the improvements and is reimbursed from new revenues created by the project itself on a performance basis.
In some of these cases, the City also benefits through the ultimate acquisition of the infrastructure or land.

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9/89- 12/90	Fashion Square - Nieman Marcus expansion and	\$4,000,000	Rebate of 50% of 1% General Fund sales tax over CPI adjusted	Fully paid off 2/00	\$12,396,878	\$53,597,151	23.1%	\$4,000,000	\$103,732,088	59.8%	At end of term City gets title to parking storage and land
10/96	Nordstrom expansion	\$28,750,000 plus interest (based on projections should be +/- \$62 million	Rebate of 50% of base year for a maximum of 10 years Rebate of 90% of net new General Fund 1% sales tax revenues for a maximum of 30 years	Expect full payoff in 2018				\$28,750,000 plus interest (based on projections should be +/- \$62 million)			
2/90	IMAX Theater	\$525,000	Maximum of \$105,000/year for 5 years subject to City receiving at least that amount of 1% Gen. Fund sales tax revenues	Contract Complete; partial payment only IMAX closed in 1999	\$395,547	\$1,126,000	35.1%	\$395,547	\$1,126,000 (assumes IMAX never reopens)	35.1%	Galleria has now converted to an office format
TOTALS:					\$12,792,425	\$54,723,151	23.4%	\$66,395,547	\$104,858,088	63.3%	

IN ADDITION THE FOLLOWING PROJECT HAS A REDEVELOPMENT AGREEMENT APPROVED, BUT NO ACTION HAS OCCURRED ON IT TO DATE:

10/96	Scottsdale Waterfront	\$7,700,000 plus interest (based on projections should be +/- \$14 million)	Rebate of 90% of 1% General Fund sales tax for maximum of 25 years	Project not started	-0-	-0-	-0-	\$7,700,000 plus interest (based on projections should be +/- \$14 million)	\$37,000,000 (based on 10/96 development plan – subject to change)	38.9%	
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ECONOMIC INVESTMENTS IN
NEW EMPLOYMENT PROJECTS

PURPOSE: The key purpose for investing in new employers is to meet the stated economic development goals of insuring high quality jobs for the residents of Scottsdale, with the secondary goal being that of increasing new tax revenues to the City (both directly through the project and indirectly through the spending of the employees of the new businesses).

INVESTMENT STRUCTURE: The City assists with the cost of building public infrastructure related to these projects. The developer fronts the cost of the improvements and is reimbursed from new revenues created by the project itself on a performance basis.

ACTUAL TO DATE					20 YEAR PROJECTIONS					NOTES	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)		(K)
<u>DATE</u>	<u>PROJECT/ LOCATION</u>	<u>POTENTIAL MAX. CITY INVESTMENT</u>	<u>DEVELOPMENT AGREEMENT CONTRACT TERMS</u>	<u>CURRENT CONTRACT STATUS</u>	<u>TOTAL CITY INVESTMENT TO DATE</u>	<u>TOTAL NEW CITY REVENUES - ACTUAL TO DATE</u>	<u>INCENTIVE COST AS % REVENUES ACTUAL TO DATE</u>	<u>EST. TOTAL CITY INVESTMENT OVER 20 YRS.</u>	<u>EST. TOTAL NEW CITY REVENUES OVER 20 YEARS</u>		<u>INCENTIVE COST AS % REVENUES 20 YEAR PROJ.</u>
5/97	Portales/Finova Scottsdale/Highland (a mixed use project with both office and retail sections)	\$2,700,000	Up to \$460,000 in fee waivers plus up to \$2.24 mil. Rebate of 50% of 1% General Fund sales tax revenue for a maximum of 10 years	First phase done, but 2 nd phase required prior to additional rebate. Full payout expected by 2008	\$122,730	\$1,125,127	10.9%	\$2,700,000	\$3,271,500	82.5%	
6/97	Dial Corporation Headquarters – Dial Blvd. And Greenway – Hayden Loop	\$440,000	Maximum of \$44,000/year subject to City receipt of at least that much in new tax revenues. Maximum of 10 years	Opened 8/97 Expect full payoff 2007	\$137,325	\$157,898	87%	\$440,000	\$513,384	85.7%	
9/97	Surface Tek	\$89,000	Up front payment from Econ. Stab. Fund to Water Fund, with a performance lien	Contract complete Project left Scottsdale 3/00; reimbursed City \$80,100	\$8,900	\$18,000	49.4%	\$8,900	\$18,000	49.4%	Development Agreement required reimbursement when they left City
TOTALS:		\$3,148,900			\$268,955	\$1,301,025	20.7%	\$3,148,900	\$3,802,884	82.8%	

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